

EXHIBIT 359

REDACTED PUBLIC
VERSION

From: Michelle Maupin
Sent: Monday, November 27, 2006 4:46 PM
To: Sharon Coker
Subject: Comp Presentation

Here you go.



Lucasfilm 2006
Comp Executive ...

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Lucasfilm Ltd.

Compensation Projects Status Executive Review

December 7, 2006

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Compensation Projects – Base Pay

- ✧ Internal Job Structure
- ✧ External Market Analysis
- ✧ Salary Range Structure and Hiring Ranges
- ✧ Comp Reviews
- ✧ FLSA Reviews

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Internal Job Structure

- ✧ Reviewing internal job structure with management team of each organization
- ✧ Validating the internal job relationship in the structure
- ✧ Gathering input on comp issues
 - ✧ Recruiting/Hiring Challenges
 - ✧ Internal Equity
 - ✧ Jobs paid at [REDACTED] vs [REDACTED]
- ✧ Target Completion Date: December 2006
- ✧ Singapore Job & Salary Range Structure Complete
 - ✧ Salary Range Structure to be updated for 2007

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External Market Analysis

❖ Market Survey Resources

- ❑ Radford Associates – Executive/IT/Administrative
- ❑ Dunlap - Production: ILM/Animation/LFL
- ❑ Croner – Gaming: LEC

❖ Recruiting Data

- ❑ Collect recent salary requirements from recruiters
- ❑ Data will be an additional market data point along with data from surveys

❖ Survey data being used for selected segments:

- ❑ Hi-Tech Industry
- ❑ Entertainment Industry
- ❑ Gaming Industry
- ❑ S.F. Bay Area
- ❑ Executive

❖ Market Average Base Pay

[REDACTED] is default benchmark based on current comp philosophy

[REDACTED] is default for Studio positions, selected critical talent and senior management

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Salary Range Structure and Hiring Ranges

- ◇ Developed preliminary Salary Range Structure in December 2005
- ◇ Update Salary Ranges in preparation for Performance Review cycle
 - ✧ Based on Internal Job Structure review
 - ✧ New market data from survey sources
 - ✧ Salary requirements from recruiter data
- ◇ Salary Range will be determined based on midpoint representing either the [REDACTED] of market depending on the job family
- ◇ Hiring Ranges
 - ✧ Hiring ranges will be a subset within the Salary Range Structure
 - ✧ Currently, 82% of our jobs have an approved hiring range.

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Compensation Approval Guidelines (Option 1)

Actions	Established Guideline	Approval within Established Guidelines		Approvals outside of Established Guidelines		
		Business Unit Exec	Compensation	HR Director	Comp Committee	Mich
New Hires	Up to Salary Range Midpoint	Review & Approval Required	Analysis & Recommendation	Up to 10% over Midpoint	10 to 15% over Midpoint	15% and above over Midpoint
New Positions New Positions/Change in Position/Re-orgs	New Positions Need Comp Review	Recommendation Approval Required	Analysis & Recommendation		Must be reviewed and hiring range determined at Comp Committee	For Director positions and above
Transfers Lateral (w/in same grade)	All Lateral Transfers	Review & Approval Required				
Lateral (w/in same grade w/ salary adjustment)	Up to 5% Salary Adjustment	Review & Approval Required	Analysis & Recommendation	5% to 10% Salary Adjustment	10 to 15% Salary Adjustment	15% and above Salary Adjustments + all Director and above transfers
Promotions Promotion (increase in grade)	Promotions Need Comp Review	Recommendation Approval Required	Analysis & Recommendation	Review Required	Review & Approval Required	Review & Approval Required
Equity Adjustments Adjustments based on market/internal issues	Up to 5% Salary Adjustment	Review & Approval Required	Analysis & Recommendation	5% to 10% Salary Adjustment	10 to 15% Salary Adjustment	15% and above Salary Adjustments + all Director and above adjustments
Title Change - No Pay or Grade Change Below Director	All Job Title Changes	Review & Approval Required	Review and Approval Required			
Director and Above	All Director & Above Job Title Changes	Recommendation Approval Required	Analysis & Recommendation	Review Required		Review & Approval Required

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Compensation Approval Guidelines (Option 2)

Actions	Established Guideline	Approval within Established Guidelines		Approvals outside of Established Guidelines			
		HRM & Comp	Business Unit Exec	Compensation	HR Director	Comp Committee	Mitch
New Hires	Up to 10% over Midpoint	Review & Approval Required	Review & Approval Required	Analysis & Recommendation	10% to 15% over Midpoint	15% to 20% over Midpoint	20% and above over Midpoint
New Positions New Positions/Change in Position/Re-orgs	New Positions Need Comp Review	Recommendation	Recommendation Approval Required	Analysis & Recommendation		Must be reviewed and hiring range determined at Comp Committee	For Director positions and above
Transfers							
Lateral (win same grade)	All Lateral Transfers	Review & Approval Required	Review & Approval Required				
Lateral (win same grade w/ salary adjustment)	Up to 10% Salary Adjustment	Review & Approval Required	Review & Approval Required	Analysis & Recommendation	10% to 15% Salary Adjustment	15% to 20% Salary Adjustment	20% and above Salary Adjustments + all Director and above transfers
Promotions							
Promotions (increase in grade)	Promotions Need Comp Review	Recommendation	Recommendation Approval Required	Analysis & Recommendation	Review Required	Review & Approval Required	Review & Approval Required
Equity Adjustments							
Adjustments based on market/internal issues	Up to 10% Salary Adjustment	Review & Approval Required	Review & Approval Required	Analysis & Recommendation	10% to 15% Salary Adjustment	15% to 20% Salary Adjustment	20% and above Salary Adjustments + all Director and above adjustments
Title Change - No Pay or Grade Change							
Below Director	All Job Title Changes	Review & Approval Required	Review & Approval Required				
Director and Above	All Director & Above Job Title Changes	Recommendation	Recommendation Approval Required	Analysis & Recommendation	Review Required		Review & Approval Required

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Current Reviews

✧ Job Reviews

- ✧ ILM – Union position, VFX Supervisor
- ✧ LAL – Feature Film positions – Character Rigging Supervisor, Creature TD, Digital Modeler, RnD TD, Resource Mgr, Shot TD, Slim TD, Storyboard Artists
- ✧ LFL – Registrars

✧ FLSA Reviews

- ✧ LAL – Artists, Animators
- ✧ LEC – Animators, Artists
- ✧ ILM – Production Manager, Mid-Level RnD Engineer
- ✧ JAK
- ✧ HR Recruiting – Recruiter, Sourcer, Recruiting Coordinator
- ✧ Computer Programmers – Review against new state guidelines

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Next Steps

- ✧ Market Analysis – Complete
- ✧ Division Functional Job Matrix
 - ✧ LAL – Complete: will have final review in January
 - ✧ LEC – Target Date 12/9/06
 - ✧ LFL – Target Date 12/15/06
 - ✧ LECL – Target Date 12/15/06
 - ✧ ILM – Target Date 12/20/06
 - ✧ SS – Target Date 12/6/06
- ✧ Finalize 2007 Salary Structure – Target Date 1/5/07

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